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**WAKSAL PLEADS GUILTY IN U.S. COURT TO NEW CHARGES OF
EVADING \$1.2 MILLION IN SALES TAX ON ARTWORK PURCHASES**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and KEVIN P. DONOVAN, the Assistant Director in Charge of the New York FBI Office, announced that SAMUEL WAKSAL, the former president and chief executive officer of ImClone Systems, Inc. ("ImClone") pled guilty today in Manhattan federal court to one count of conspiracy to commit wire fraud and one count of wire fraud in connection with a scheme to evade approximately \$1.2 million in sales taxes owed on more than \$15 million in artwork that he purchased from a Manhattan art gallery. WAKSAL was charged in a Superseding Information filed today that added to charges contained in an Indictment previously filed against WAKSAL.

According to the Information, as well as WAKSAL's statements in connection with his guilty plea, from about June 22, 2000, through about October 26, 2001, WAKSAL purchased

numerous works of fine art from an art gallery in Manhattan, the total purchase price of which was \$15,310,000:

Artist	Title	Purchase Price
Mark Rothko	Untitled (Plum and Brown)	\$3,500,000
Cy Twombly	Untitled (Rome)	\$1,300,000
Richard Serra	The American Flag is Not an Object of Worship	\$350,000
Franz Kline	Mahoning II	\$3,000,000
Francesco Clemente	Lovers	\$60,000
Roy Lichtenstein	Landscape with Seated Figure	\$900,000
Cy Twombly	Solar Barge of Sesostris	\$800,000
Francis Bacon	Study from the Human Body	\$3,000,000
William De Kooning	Untitled V	\$2,400,000

(collectively, the "Artwork").

According to the Information and WAKSAL's statements, the Artwork was delivered to, and used by, WAKSAL at his residence in Manhattan, and was therefore subject to a sales tax of 8.25 percent of the purchase price, or \$1,263,075.

In pleading guilty to the charges before United States District Judge WILLIAM H. PAULEY, III, WAKSAL admitted that he participated with the owner and principal manager of the Manhattan art gallery in a scheme to evade sales taxes owed on

the Artwork. WAKSAL stated that gallery owner (identified in the Information as "CC-1") provided WAKSAL with fraudulent invoices for the Artwork, addressed to WAKSAL at "22 Chubb Way, Sommerville, New Jersey," the address of an ImClone manufacturing facility. WAKSAL admitted that the invoices omitted any sales tax, falsely representing that the transaction was an "out of state sale" and that no sales tax was due. WAKSAL admitted, however, that the Artwork was delivered to WAKSAL's residence in New York.

On October 15, 2002, WAKSAL pled guilty to the following charges, which were contained in a 13-count Indictment filed on August 7, 2002: 2 counts of securities fraud, 1 count of conspiracy, 1 count of obstruction of justice, 1 count of perjury, and 1 count of bank fraud. The remaining 7 counts in the Indictment remain pending.

In addition to the penalties WAKSAL faces for the charges to which he previously pled guilty, WAKSAL faces a maximum sentence on today's conspiracy count of 5 years in prison and a fine of \$250,000 or twice the gross gain or loss resulting from the offense and a maximum sentence on today's wire fraud count of 5 years in prison and a fine of \$250,000 or twice the gross gain or loss resulting from the offense.

The Government and WAKSAL are not parties to any plea

agreement, and the investigation of this matter is continuing.

WAKSAL, 55, lives in Manhattan.

Mr. COMEY, a member of the President's Corporate Fraud Task Force, praised the efforts of the Federal Bureau of Investigation and thanked the United States Securities and Exchange Commission for its assistance in the investigation of this case.

Assistant United States Attorney MICHAEL S. SCHACHTER is in charge of the prosecution.

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